

**UNEMPLOYMENT
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Trade Readjustment Allowances (TRA)

Help for those affected by foreign competition

Workers who lose their jobs or whose hours of work and wages are reduced because of foreign competition may apply for federal assistance through the Trade Adjustment Assistance (TAA) program. Among the benefits they may receive are weekly Trade Readjustment Allowances (TRA), which are payable once they exhaust state unemployment benefits and any extended benefits. Usually, TRA will only be paid if an individual is enrolled in an approved training program.

When a company or a group of workers believes foreign competition has adversely affected their jobs, the company, a group of workers, the union, *Michigan Works!* Agency (MWA) staff, or the state dislocated worker unit can petition the federal government for TAA benefits. The U.S. Department of Labor (USDOL) will decide whether foreign competition was the major reason for the job cutbacks. If so, USDOL will issue a "certification" and indicate the period during which total or partial job separations will be covered by the certification. This Fact Sheet pertains to petitions filed on or after November 4, 2002.

Applying for Trade Readjustment Allowances

A worker may apply for TRA at any time. However, if the workers covered under the petition are not yet certified, the Unemployment Insurance Agency (UIA) will hold the application, pending USDOL's determination on the petition.

Workers should contact a *Michigan Works!* Agency (MWA) Service Center to file their TRA applications immediately after being advised that they are covered under a certification. Delays in applying could result in not being eligible for TRA.

To be eligible for additional weeks of TRA, workers must apply for training approved under the Trade Act of 1974, as amended, within 210 days of their last separation during the certification period (see below) or within 210 days of the certification date, whichever is later.

Qualifying for Trade Readjustment Allowances

To qualify for TRA:

- Workers must be laid off due to lack of work.
- Their layoffs must occur on or after the "impact date" of the certification and before its expiration or termination date. This is called the "certification" or "window" period.
- Workers must also have had enough qualifying employment with the affected employer. They must have been employed at least 26 weeks, with weekly wages of at least \$30.00, during the 52 weeks ending with the week of separation. Up to seven weeks of employer-authorized leave may be counted as part of the 26 qualifying weeks. Also, up to 26 weeks of disability benefits paid under a state or federal law can be used to qualify for TRA, as well as 26 weeks of active duty time served by a military reservist.
- A worker must either be participating in, or enrolled in, training, or must have received a waiver of this training requirement. "Enrolled" means the worker will begin training approved under the Trade Act within 30 days. Workers must enroll by the end of: (1) the eighth week following the week that USDOL issues a certification; or (2) the end of the 16th week following the worker's last qualifying separation. This requirement may be waived for certain specific reasons (see Waiver of Training).

Waiver of training

During the first series of TRA payments (known as "basic TRA"), workers must be in a training program unless that requirement is waived (set aside). However, to receive any additional weeks of TRA, the requirement cannot be waived and workers must be in training.

To receive basic TRA, the training requirement may be waived if the training has been approved but will begin more than 30 days later, or for other specific reasons. MWA offices process training approvals and waivers.

Eligibility period

Workers will only be eligible to receive TRA when they run out of regular (and extended) unemployment benefits. Once they become entitled to TRA, they will have a period of 104 weeks in which to receive their **basic** TRA. If training includes remedial education, the period to collect basic TRA is extended to 130 weeks. If workers have a later qualifying layoff due to foreign competition (that is, a layoff that meets the requirements described above under "Qualifying for TRA"), the 104/130-week period will be extended to run from that *later* layoff.

The eligibility period for **additional** TRA begins after either: (1) workers exhaust their **basic** TRA entitlement; or (2) the eligibility period for basic TRA ends. For additional TRA, workers *must* be participating in training approved under the Trade Act. The additional TRA eligibility period lasts for 52 consecutive weeks or until the end of approved training, whichever occurs first. If training includes remedial education, the eligibility period may last for up to 78 weeks.

Amount of TRA benefits payable

Workers are entitled to 52 weeks of basic TRA at the same weekly benefit amount they received in state benefits after their first qualifying separation. Any state jobless benefits workers receive upon becoming unemployed due to foreign competition will be deducted from the total amount of basic TRA payable. In other words, weeks of regular benefits and any extended benefits paid to workers will be deducted from their 52 weeks of **basic** TRA entitlement. Consequently, workers could receive a *combined total of 52 weeks* of state benefits, extended benefits and **basic** TRA benefits.

Up to 52 weeks of **additional** TRA at the same weekly benefit rate might be payable if workers participate in training approved under the Trade Act.

If training includes *remedial education* and workers are still in TAA-approved training after being paid basic and additional TRA, another set of additional TRA is payable at the rate of *one week of TRA per each week of remedial education – up to 26 weeks*.

Weekly eligibility

All the filing requirements and eligibility requirements that apply to collecting regular state unemployment benefits also apply to TRA. In addition, workers who are not participating in approved training must list three places where they sought employment for each week they claim basic TRA on their certification by mail forms. The availability, ability, and seeking work requirements are waived for workers participating in TAA-approved training.

Recent changes to Trade Act coverage

The Trade Adjustment Assistance Reform Act of 2002 made several changes to the federal Trade Act program. The Act authorized:

- A federal income tax credit for health insurance premiums paid by eligible TAA recipients; and
- An Alternative TAA (ATAA) program for older workers, which provides a wage differential of up to \$10,000 for a two-year eligibility period. The program is for those 50 years or older who obtain different full-time employment within 26 weeks of separation from adversely-affected employment at wages less than those earned in the adversely-affected employment.



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Michigan Department of Labor & Economic Growth
Unemployment Insurance Agency
Authority: UIA Director; Quantity: 1,000
Cost: \$14 (1.4¢/copy). Paid for with federal funds.